Title Guaranty's Top 10 Ways to Get Your Certificate Within Three Days

Title Guaranty receives scores of applications each day. Our goal is to issue the Certificate within three business days of receiving the application. Our staff of division-issued experts take great pride in realizing this quick turnaround time—better for you, better for us, better for everyone. We want to make the process of ordering Title Guaranty as smooth

All Applications for Title Guaranty must include:

- Application for Title Guaranty, completely filled out,
 Premium check, payable to "Treasurer, State of Iowa,"
- Final title opinion,
- Preliminary title opinion,
- Appraisal (or survey if mortgage is more than \$500,000),
- Composite Mortgage Affidavit signed by both the buyers and sellers and notarized, and
- Appropriate supporting documents (such as assignments, lien waivers, a lien search, statement regarding association dues, satisfactions, etc.)

In addition, answering "yes" to the following "Top Ten" questions will help your application travel through the office smoothly and without delay.

10. Is the property in lowa?

We have not been given permission to expand our operation to other states.

- 9. Is the premium check signed and for the correct amount? Contact the Division, or log onto the Web site (www.ifahome.com and the Title Guaranty link—premium calculation) for help in calculating the premium. Remember: there is a discount for loan amounts more than \$250,000 and a discount for re-issued certificates.
- 8. Have you enclosed the complete appraisal, including addenda or supplements? Our staff reviews all appraisals for the following information: Address of the property, legal description of the property, dimensions of the property, size of the property in square feet or acres, appraised value (for calculating owners' coverage), date of appraisal (must be within six months of filing date of mortgage), whether there are adverse easements or encroachments, and whether there has been construction or repairs ("as is" or "subject to completion"). If the appraisal is written "subject to repairs" or "subject to completion," please attach the final inspection or final appraisal.
- 7. Is the legal description consistent throughout all documents? The legal description in the title opinions and on the mortgage must match the legal description on the appraisal (neither more nor less land). In the case of a condominium, the legal description must conform to the statutory requirements. In the case of a metes and bounds legal description, the description must close.
- 6. Is your mortgage in first lien position?

All covered mortgages must be described as a "first lien," not as a "first mortgage lien." The attorney's title opinion must describe any other liens (mortgages, taxes, judgments, mechanics' liens, etc.) as inferior or secondary, and must explain why they are inferior.

- 5. Did everyone sign the mortgage, including all titleholders and their spouses?
- 4. Is the date and time of the last abstract certification after the filing of the mortgage? The abstract must be certified after the filing date and time of the mortgage.
- 3. Are the examining attorney and abstractor members of the Title Guaranty Program? Contact the Division about becoming a member of the Title Guaranty Program.
- 2. Are your title opinions signed by the attorney? All title opinions must be signed by the examining attorney.
- 1. Does the recorded mortgage show the marital status of the borrower(s)? The attorney's title opinion must show who executed the mortgage and their marital status. We encourage you to attach a copy of the recorded mortgage to the application. If the mortgage is silent or ambiguous about marital status, the Division will require a recorded Affidavit from a knowledgeable person about the marital status of the borrower(s). Indicating a borrower is "a married person" is not sufficient without showing the name of the spouse and indicating they are "husband and wife."



200 East Grand Avenue, Suite 350 Des Moines, Iowa 50309 515.242.4989 - 800.843.0201 www.ifahome.com

Mv "Ask Title Guaranty" auestion is: My E-mail address is: Please make any changes or corrections to your mailing address here:

help and your interest in Title Guaranty.

Ask Title Guaranty

ls there a question you've always wanted to ask the staff at Title Guaranty, but you were afraid to? Do you ever wonder why we do what we do? Do you ever question why Title Guaranty requires what we require? Well, this is your chance to find out.

"Ask Title Guaranty" is your opportunity to ask our staff any question that's on your mind. A member of the Division's staff will respond to your questions and concerns. Every question is important! We'll respond by phone, by e-mail, by fax, or even in a future issue of On the Move.

To ask your question, just photocopy this page of *On the Move*, including the mailing label. Then write your question in the space provided and fax, e-mail, or mail the entire page to the address below. And while you're at it, if you give us your e-mail address, we will see to it that you receive all future newsletters, news releases, and other important information by e-mail.

Please send the entire page to:

ATTN: Susan Riedinger Title Guaranty Division 200 E. Grand Ave., Suite 350 Des Moines, IA 50309

Fax: 515.242.4994 E-mail: Susan.Riedinger@iowa.gov

Title Guaranty on the MOVE

It's hard to believe that more than half of 2005 is gone! The first six months proved to be amazingly busy for Title Guaranty and our partners. I believe that we will look back at this year as one of the most productive in TGD's 20-year history. Why? We've spent the last few months preparing for the future. We've worked hard to develop new products, policies, and procedures that will enhance our quality while allowing us to compete with the industry in terms of service, price, and efficiency. I'm confident that you will be pleased with our results!

The bottom line? Title Guaranty will set the standard for effective and efficient title product not just in lowa, but across the country. We've already received positive national press in such publications as The New York Times. Arizona Republic, and Market Watch, to name a few. Regulators are scrutinizing the title insurance industry nationally, investigating kickback schemes, sham joint ventures and fraud. There have been tens of millions of dollars in settlements, and the investigations continue. I believe that we offer lowans a better option. We're proud of our product and proud of you, our partners in the field. I believe that we can work together to build on what we've started.

Directo

From the

I welcome you to this, the inaugural issue of On the Move, one more step in our efforts to communicate with you. Stay tuned! Title Guaranty is ON THE MOVE and the best is yet to come. .

Loyd W. Ogle, Director

Welcome to Title Guaranty

Welcome to the Title Guaranty Division of the Iowa Finance Authority (IFA) and to *On the Move*, Title Guaranty's newsletter.

As you can see by the name of this newsletter, Title Guaranty is moving. We are moving ahead to the future while maintaining our goals of insuring clean title and providing funding for housing programs.

Part of Title Guaranty's mission is to instruct, inform, and educate lenders, attorneys, abstractors, closers and others involved in the real estate industry about the importance of Title Guaranty. As such, our goal with this newsletter is to be a resource for Title Guaranty information and updates, as well as a repository for title information in general. We want to answer your questions about obtaining Title Guaranty coverage, provide information on the issues that affect Title Guaranty and the means of insuring property, and underscore the importance of Title Guaranty in the real estate transaction process.

Title Guaranty was established by statute in 1985 as part of IFA, the state's housing finance agency. Title Guaranty was established as a response to a need for a low-cost method of providing title assurance. Title Guaranty issues certificates that protect lenders and buyers of real estate against loss due to liens, property disputes, and deed restrictions that could affect ownership or negatively affect a property's value. An added advantage for lenders is that Title Guaranty covers losses that are beyond the range of an abstract and title opinion. Those losses include those resulting from mechanic's lien claims, rights of parties in possession, encroachments or boundary problems, easements not of record and taxes or special assessments not of record.

One of the benefits of Title Guaranty is that funds from its premiums remain in lowa to help low- to moderate-income lowans achieve their dreams of home ownership.

The money that Title Guaranty generates finances IFA's housing programs. Since its inception, Title Guaranty has transferred more than \$35 million to IFA. One of these programs is First Home Plus, a down payment assistance program that provides up to 3 percent for income-qualified first-time homebuyers. In 2004, 1,500 homebuyers were able to purchase their first home through this program.

Insuring mortgages to help purchase homes, however, are only a part of the scope of Title Guaranty. Ultimately, Title Guaranty preserves the cleanliness of titles and lowa's public records and assures purchasers of real estate that they are getting their properties without defects. Title Guaranty requires that title defects be corrected before a certificate is issued, which saves time, money and possible heartache for the homeowner. In addition, Title Guaranty is statutorily obligated to make sure the certificate holder has "marketable title," or the assurance that the public records accurately reflect all parties' interests in the property. Because of Title Guaranty, lowa has the cleanest titles in the country.

This is the Title Guaranty story, and we are asking for your input to continue it. If you have any questions or topics you want us to address, please let us know. We encourage you to fill out the survey on the back of this issue and tell us what you think. You can also contact newsletter editor Susan Riedinger at 515.242.4989, or Susan.Riedinger@iowa.gov with your questions and ideas.

You received this first newsletter via U.S. Mail. We can also arrange to send it to you by e-mail. If you would prefer to have it e-mailed, contact Susan at the phone number or e-mail address above. It will also be posted online at our Web site at www.ifahome.com

NEW FORMATTING STANDARDS FOR RECORDING DOCUMENTS IN EFFECT

New formatting standards passed by the lowa Legislature will affect how you file real estate documents. As of July 1, 2005, documents filed in any lowa county recorder's office must follow the standards set by Senate File 371. If documents are not formatted according to the new law, an additional \$10 per document will be charged.

DOCUMENTS MUST NOW MEET THE FOLLOWING REQUIREMENTS:

- Documents must not be permanently bound or in a continuous form.
- The first page must have a top margin of at least three inches for recorder's use.
- All other margins shall be a minimum of 3/4 of an inch.
- Preprinted text size must be at least 8 point, with all other typed or computer-generated text size at least 10 point.
- Documents must be legible enough to make a clear reproduction.
- Documents must be on white paper of not less than 20-pound weight, without watermarks or other visible inclusions.
- · All signatures must be in black or dark blue ink.
- All names must be typed, printed, or stamped beneath the original signature.
- Embossed or inked stamps cannot cover or materially interfere with any part of the documents. • Documents must contain the following information on the first page below the three-inch margin:
- Name, address, and phone number of document preparer
- Name of taxpayer and complete mailing address for any document or conveyance instrument
- Title of document
- All arantors' names
- All grantees' names
- Any address required by statute
- Legal description of the property and parcel identification number, if required
- The page number where this information is located if there is not enough space on the first page for these requirements

DOCUMENTS EXEMPT FROM THIS LAW INCLUDE THE FOLLOWING:

- A document signed before July 1, 2005
- A military separation document
- A document that was executed outside of the United States
- A certified copy of a document issued by a governmental agency, including a vital record
- A document in which one of the original parties is deceased or otherwise incapacitated
- A document formatted to meet court requirements
- A federal tax lien
- A filing under the Uniform Commercial Code, Chapter 554
- A plat or survey, or a drawing related to a plat or survey

If a document is rejected by the recorder's office, it shall be returned to the document preparer with an explanation why it was rejected.

DID YOU KNOW?

Demotech, Inc., a nationally recognized actuary firm specializing in title insurance companies, rated Title Guaranty "A PRIME," the highest rating possible for an enterprise of our size.

TITLE GUARANTY HOSTS FIRST ANNUAL CONFERENCE

September 27 & 28, 2005

Hotel Fort Des Moines - Des Moines, Iowa

This will be your opportunity to hear from a great panel of speakers on a variety of topics, including;

Kevin Barnes, nationally known expert on mortgage fraud, will present "Mortgage Fraud: It Is a Choice";

Stephen Morrison, Vice President, Government and Industry Relations, Wells Fargo Home Mortgage, will update us on what's happening on a national level (RESPA, bundled services, etc.) that may impact

Karen Oberman, SRA, Chair of the Iowa Real Estate Examining Board, will update us on appraisal fraud

Panel discussions on One-Stop Shopping, IFAFirst Home and FirstHome Plus, Updates on Iowa Case Law and Legislation, and what's new at TGD! Watch your mail for more information and registration details! We hope to see you there!

For more information, contact Linda Berg at 515.242.4893 or Linda.berg2@iowa.gov.

SIX HOURS CLE! (applied for)

Title Guaranty on the MOVE

Distributed by:

The Iowa Finance Authority Title Guaranty Division 200 East Grand Avenue, Suite 350 Des Moines, IA 50309

TGD PROVIDES OUTREACH TO LENDERS.

ATTORNEYS, CLOSERS AND OTHERS INVOLVED IN **REAL ESTATE TRANSACTIONS. THIS EXHIBIT HAS**

BEEN USED FOR NUMEROUS CONFERENCES, SUCH AS THE IOWA BAR ASSOCIATION, IOWA LAND TITLE

ASSOCIATION, IOWA CREDIT UNION ASSOCIATION,

OSKALOOSA HOME SHOW, AND IOWA ASSOCIATION

OF LEGAL ASSISTANTS.

515.242.4989 www.ifahome.com plication 0 0 Updat

Since the waiver process was implemented, there have been several applications brought before the Title Guaranty Division Board of Directors. Of those, the board has approved three. Primarily, the waiver application process is designed to increase the availability of Title Guaranty throughout the state. There are situations where 1) the 40-year title plant requirement would present a significant hardship to the abstractor or the attorney; 2) waiving the requirement is absolutely necessary to ensure availability of title guaranties throughout the state; and 3) granting the waiver is clearly in the public interest.

Individuals requesting a waiver must submit a written application including information and documentation supporting their request. In addition, the applicant may choose to appear before the board in person and present additional evidence or witnesses in support of their application.

At the June board meeting, of the two requests for waivers, one was approved and the other denied. The waiver was granted to an attorney in Louisa County who has been preparing abstracts for a number of years under the oversight of another attorney who had been granted an exemption. In addition, Louisa County is an area where abstracting is done by local attorneys based on records maintained by the county courthouse, and no law firm maintains a 40-year index.

When a request for a waiver is made, Title Guaranty notifies all participating attorneys and abstractors in the impacted county as well as the lowa State Bar Association and the lowa Land Title Association. Any interested party may submit comments or statements in support of or opposition to the request. For more information on the waiver process, contact Loyd W. Ogle, Title Guaranty Director at 515.242.5650 or Loyd.Ogle@iowa.gov.

HELP US MAKE TITLE GUARANTY THE BEST TITLE PROTECTION PRODUCT OUT THERE

Concerned about what you see happening in the field? See something we should be doing differently? Have feedback about what can be done to make our product better? There are no sacred cows. We want to hear from you! Please feel **TGD's Business Development Director at 800.843.0201** or Linda.Berg2@iowa.gov.

protection liens. free to contact Linda Berg, This endorsement is only available for lender's coverage for residential (four units or less) properties. It is not available for owner's coverage. It also is not available for rural properties that are currently used or have been used for agricultural

Notes from the Hill

In order to receive or issue the Environmental Protection Lien Endorsement. the following procedures must be followed:

- 1. The abstract should cover the Federal Tax Lien Index in the county recorder's office to discover any environmental protection liens or any documentation indicating an environmental problem exists on the property.
- 2. There is no requirement to search the federal district court records.

FEATURED ENDORSEMENT

required to get endorsements.

As a regular part of our newsletter, TGD would like to feature one endorsement per

This issue, we are featuring the Environmental Protection Lien Endorsement, Form

456 (ALTA Form 8.1). This endorsement covers residential real estate against loss

or priority of the covered mortgage because of any recorded environmental

issue as a way to raise awareness of the endorsements we can issue and what is

- 3. If an environmental protection lien or notice appears at any point in the chain of title, then raise the lien or fact on Schedule B of the commitment.
- 4. If an unreleased state lien is discovered, do not issue the endorsement.
- 5. If an unreleased federal lien is discovered, you may issue the endorsement so long as the Schedule B exception is raised. (Note that if the lien is shown on Schedule B, the guaranteed mortgage is subject to the lien.)
- 6. If a released state or federal lien is discovered, then you may issue the endorsement so long as you raise the appropriate Schedule B exception giving notice thereof.

Language for a sample exception could be:

	Environmental nen med by against on (aate, as botament no	
	(in Book Page) in the office of the Recorder of	
County, Iowa, in the sum of \$		

AN UPDATE ON LEGISLATIVE AND REGULATORY MATTERS THAT IMPACT OUR INDUSTRY - By Loyd W. Ogle, TGD Director

The most recent state legislative session proved to be an active one for Title Guaranty, as we educated legislators and reached out to other associations and interest groups. We also actively lobbied in support of, and in some cases, against several legislative proposals.

I have lobbied at the state capitol in one fashion or another for 12 years, but this was the first year that I have encountered a situation where one chamber (the Senate) was split evenly between Republicans and Democrats. This, however, was not as problematic as one might think, given that support for Title Guaranty is bi-partisan in nature.

We found success in three of four bills that we actively lobbied. Two of three bills introduced by Title Guaranty were approved and signed by the Governor, and one bill opposed by Title Guaranty, while introduced, was never voted on in committee. We also monitored several bills impacting the homebuyer and real estate industry.

I'd like to personally thank all those who lobbied in support of TGD initiatives. I will be working hard to expand our legislative network between now and next session and would very much like to hear if you have any suggestions or concerns about state legislative matters.

A SUMMARY OF EACH OF THESE BILLS IS AS FOLLOWS:

HF 332 — Introduced by TGD, passed Legislature and signed by Governor	Adds participating abstractors to the list of those who may request mortgage releases from TGD
HF 754 — Introduced by TGD, passed Legislature and signed by Governor	Exempts agricultural properties under 40 acres from the homestead waiver notice requirements
SSB 1195 — Introduced by TGD, did not pass out of committee	Establishes an Abstractor Licensing Board
SSB 1270 & HSS 273 — Opposed by TGD, did not pass out of committee	Legalizes the sale of Title Insurance within the state of lowa